

PRICE Analysis Matrix

Our time-tested macro analysis model.
The foundation of our investment strategies.



THREE-STEP MACRO ANALYSIS PROCESS



AVOIDING PERMANENT LOSSES



ADAPTIVE ASSET ALLOCATION



INVESTMENT Philosophy

An Adaptive Approach to a Complex Market

We challenge the status quo that a traditional “buy and hold” portfolio with a rigid mix of investments provides optimal outcomes. We also reject the idea that an investment strategy needs to choose between fundamental or technical analysis. Investment strategies should be built using both fundamental and technical analysis. Allowing portfolios to adapt and capitalize on investment opportunities and mitigate investment risk as it arises.

Embrace Volatility and Avoid Protracted Downturns

Small but temporary investment losses due to market volatility are to be expected as part of the risk-return tradeoff. In fact these swings often present opportunities to invest in undervalued asset classes. However, there also exist market periods in which losses can exceed tolerable levels and can create “Permanent Loss of Capital”, losses that may permanently decrease the probability of reaching your investing goals. These are the periods that Quartz Partners seeks to move to traditionally defensive investments like cash and U.S. government bonds.

Tactical Rotation Using PRICE Analysis Matrix



**Please refer to attached fact sheets for complete performance information. You cannot invest directly in an index.*

Our investment committee welcomes questions and open dialogue with advisors and their clients about our investment process, views on the investing environment and their personal investing objectives.

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1 Investment Process

PRICE Analysis Matrix

Over the course of 15 years through rigorous academic research we have developed an investment model comprised, in our view, of the most relevant economic and market data in determining the direction of the economic landscape and relative attractiveness of investments. Our PRICE analysis matrix provides a repeatable process that is flexible and allows our investment strategies to quickly adapt to changes in the economic and market landscape. The Price analysis matrix is comprised of five data sets and over 50 data points ranging from fundamental to technical data. Data points that when combined, historically exhibit a high probability of predicting economic cycles, investment opportunities and protracted market downturns.

POLICY	Our Policy data set analyzes monetary and fiscal policy from the U.S. Federal Reserve Bank, U.S. Federal Government as well as those from foreign central banks and sovereign governments. Policy decisions drive market liquidity and investing risk taking.
RISK	Our Risk data set analyzes market volatility and the opportunity cost of investing. Momentum data from various asset classes and cross asset class relative strength is combined to provide a “stop-loss” to preserve capital and mitigate investment loss.
INFLATION & INTEREST RATES	Our Inflation & Interest Rates data set analyzes bond and lending rates, consumer, manufacturing and commodity prices. This provides real-time information as to whether inflation is providing a tailwind or headwind for economic growth and investing.
CREDIT & LIQUIDITY	Our Credit & Liquidity data set analyzes bond spreads, systemic financial stress data pertaining to credit and liquidity across the economic spectrum. Cheap and accessible financing is the lifeblood for both corporations and the stock market.
EARNINGS & ECONOMY	Our Earnings & Economy data set analyzes information pertaining to housing, manufacturing economic and corporate backdrop. This data set can forecast long-term shifts in the business cycle and identify economic contractions.

2 PRICE Portfolio Construction

Real-Time Output

Our PRICE analysis matrix compares current vs. past data looking at historical averages and rates of change. Ultimately, a flexible quantitative output is provided, forecasting where we are in the economic cycle, when to be defensive and where to take advantage of investing opportunities. As a mechanism of mitigating investment risk, our PRICE analysis matrix also allows our strategies to quickly adjust the portfolio beta and transition defensively to a “risk-off” allocation in the early stages of a protracted market downturn (e.g., Covid-19 pandemic market sell-off February to March 2020) and then back to “risk-on” allocations when the “Risk” component of our PRICE matrix reverses to a positive output.

PRICE Matrix Output

Defensive Allocation %
("Risk-On" or "Risk-Off")



Relative Strength Analysis

Geographic/Style/Sector/Factor/Thematic



Adaptive Asset Allocation

Final Portfolio Construction





Quartz Strategies

Quartz Equity
Tactical Global Equity



Quartz Spectrum
Tactical Multi-Asset



Quartz Yield Plus
Tactical Fixed Income



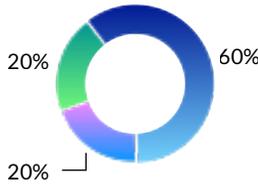
Quartz High Yield Legacy
Tactical High Yield Bond



Quartz *adapt*CORE Multi-Strategy Portfolios

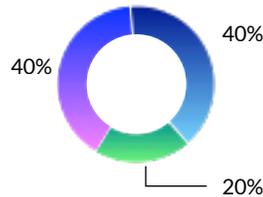
Aggressive Growth

- Quartz Equity
- Quartz Spectrum
- Quartz Yield Plus



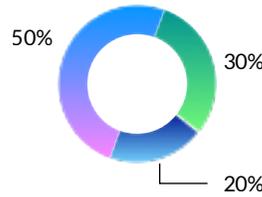
Long-Term Growth

- Quartz Spectrum
- Quartz Equity
- Quartz Yield Plus



Balanced Growth

- Quartz Spectrum
- Quartz Yield Plus
- Quartz Equity



Conservative Growth

- Quartz Yield Plus
- Quartz Spectrum



IMPORTANT DISCLOSURES

Beta: a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **S&P 500:** The Standard & Poor's 500 is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the U.S. It is one of the most commonly followed equity indices. The stated investment preferences are the opinions of Quartz Partners Investment Management ("Quartz") and do not reflect individual investors' risk and return objectives. Individual investors should consult with their financial professional about how to implement these opinions in a portfolio that is suitable for their goals and risk tolerance. This material is not intended to be relied upon as a forecast, research or investment advice, is not a recommendation, offer or a solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed are derived from proprietary and non-proprietary sources deemed by Quartz to be reliable, not necessarily all-inclusive and are not guaranteed as to accuracy. The opinions expressed are as of the date of this document, and may change as subsequent conditions vary. Reliance upon information in this material is at the sole discretion of the reader. Investors should carefully consider the underlying funds' fees, expenses, objectives and risks carefully before investing. Quartz puts forth its best effort to achieve the objectives of its strategies. However, there is no guarantee that the objectives will be achieved. An Account's return and principal will fluctuate so that the Account, when redeemed, may be worth more or less than the amount in the Account at or subsequent to the effective date of the Investment Management Agreement. Actual fees paid and investment performance may vary based on factors including account size, custodian, contributions and withdrawals, which may cause your returns to differ from those listed in this report. In particular, accounts held at variable annuities and/or fund families will have performance that frequently deviates from the listed data due to fees and investment options. Please contact Quartz or your custodian for your specific performance information. Quartz strategies may involve above-average portfolio turnover, which could negatively impact the net after-tax gain experienced by an individual client. Performance results do not reflect the impact of taxes. Investments in the strategies are subject to investment and manager risk, which carry the potential for a loss of principal. Tactical management strategies do not protect against losses in declining markets and there is no guarantee that the strategy performance will meet or exceed the listed benchmark. Quartz's risk management process includes an effort to monitor and management risk, but should not be confused with and does not imply low risk. High yield bonds may be subject to greater market fluctuations, risk of default or loss of income and principal than higher rated securities. Quartz is an investment adviser registered with the SEC under the Investment Advisers Act of 1940. SEC registration does not constitute an endorsement of the firm by the SEC nor does it indicate that the advisor has attained a particular level of skill or ability. Quartz's Form ADV Part 2: Firm Brochure and other account documentation are available at quartzpartners.com/disclosures or upon request. Quartz may pay a portion of the annual advisory fee to a solicitor who is responsible for introducing an investor to Quartz. Quartz claims compliance with the Global Investment Performance Standards (GIPS®). A complete list and description of the firm's composites and composite reports that adhere to the GIPS® standards are available by emailing info@quartzpartners.com. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.